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Israeli drug money launderers snared by sting

A sting run by federal agents in Connecticut has netted members of a drug money laundering ring run from Israel and Colombia. This is the same ring which, according to an Israeli report last year, the FBI suspected had links to Israeli intelligence. (*IFA* 9/92)

Although only seven of the 13 individuals indicted are Israeli citizens, the ring was headed by an Israeli, David Vanounou, and at least some of the phone conversations taped by the FBI during the investigation were in Hebrew. Also, some defendants with US citizenship had Israeli connections. Daniella Levi, for example, is a vice president of the New York branch of Bank Leumi, one of Israel's largest banks.

Alex Adjmi, a central player in the ring's operations in this country, is a US citizen. But, Adjmi, 34, is almost certainly the "very wealthy Syrian Jew" based in New Jersey, who was described in a 1992 Israeli account of the money-laundering operation. He worked under the direction of a former officer of Mossad, Israel's foreign intelligence agency, said the report, quoting an internal FBI document.¹

One of the men who directed the operation from Israel was Adi Tal. Assistant US Attorney Joseph Martini, a lead prosecutor in the case, which will be tried in September in Waterbury, Connecticut, told *IFA* he believes Tal is the same Adi Tal who was convicted of money laundering in 1989 in New Jersey. In that case, Tal, a former employee of the Israeli national airline El Al, ran a money laundering operation that employed a network of *haredi* (ultra-orthodox) Jews to funnel laundered narcotics profits to Israel and Latin America. (*IFA* 5/88, 2/89, 4/89, 11/89)

Because last month's indictment is limited to transactions carried out between July 1991 and July 1992 through a dummy company set up as part of the government's sting, it isn't clear whether Tal has also reconstituted his old network. Tal, it can be gleaned from the indictment, was very careful not to operate in the US. On one occasion, he had one of the US-based launderers travel to meet with him in Canada.

The launderers got their instructions from Szion Jacob Abenham, the owner of a money exchanging business in Cali, Colombia. Abenham arranged for \$22.5 million "generated by [his] 'clients' from illegal activity, including trafficking in narcotics and other dangerous drugs" in the US, to be delivered to Prism Financial Services, the dummy company, according to a separate indictment issued last December 9 and made public last month.

Prism, created by the FBI created in Greenwich,

Connecticut, transferred the cash to bank accounts in the US and, overseas, in Israel, Panama, Italy, Switzerland and the Channel Islands, all according to instructions issued by Abenham, say both indictments. The criminal activity — amounting to 188 charges against Abenham and 126 charges against the 13 defendants — involves moving sums of money over \$10,000 through the banking system or across US borders without the accompanying declarations required by federal law.

Abenham, 43, was arrested in Paris in December, after US authorities learned, through the sting operation, that he would be traveling there.² Assistant US Attorney Martini said that extradition proceedings are under way against him and Raymond Chochana, 38, an Israeli who was arrested in Paris in May.

The indictment against the 13 affords a sketchy history of the operation. In early 1991, it begins, Jacob Cohen, a 41-year-old Israeli, introduced ring-leader David Vanounou to Yehudah Madar. Madar is described by authorities as an unindicted co-conspirator in the case. Vanounou recruited Madar "to find a means to launder the cash proceeds of unlawful activity which co-conspirator Abenham would arrange to have delivered in New York. Vanounou in New York and "his partner" Raymond Chochana, in Israel, supervised Madar's work.

Madar asked Daniella Levi, 29, the Bank Leumi vice president in New York, to find someone who could launder money, and she introduced him to Alex Adjmi. "During the summer of 1991," the indictment continues, "defendant Daniella Levi received a fee for her role in introducing co-conspirator Madar to defendant Alex Adjmi and initiating money laundering transactions."

In April 1991, Adjmi got in touch with Alan Dayon, a 59-year-old US citizen, and the two of them began discussions of money laundering with Prism Financial Services.

In late May 1991, the cash began to flow. Vanounou and Chochana arranged for Meir Ohaion, 35 and an Israeli, to pass \$100,000 to Madar, who in turn brought it to Prism, says the indictment. Other, larger, batches of money followed the same route to Prism. The feds transferred the money to the accounts designated by Abenham, paying the launderers a commission and taking one for themselves.

Meanwhile, the indictment alleges, Adjmi laundered cash managed by Abenham through "co-conspirator" Ezra Rishty, who is not charged in the

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ADL spy scandal Memo reveals apprehension

The Anti-Defamation League (ADL) is not acting like an organization facing imminent criminal charges and a host of civil suits in connection with the massive espionage it conducted against hundreds of political organizations. From what is to be seen, the ADL is occupying the time until it must go to court by organizing its friends and hurling imprecations at its enemies. But an internal ADL memo shows that the self-styled civil rights organization was seriously concerned about its situation as far back as February.

The memo, addressed to ADL's regional directors, was written on February 25 by Jeffrey P. Sinensky, director of ADL's civil rights division, and Ann Tourk, the director of the ADL's community service division.

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Update: Mordechai Vanunu

Police Minister Moshe Shahal visited Mordechai Vanunu in his jail cell in Ashkelon prison in April. Shahal reportedly listened to Vanunu's complaints about the conditions of his 18-year prison term.¹

The sentence was delivered during a secret trial on "treason" charges after Vanunu, a former worker at Israel's secret nuclear weapons facility at Dimona, warned about Israel's sophisticated nuclear weapons by giving details to a London newspaper. He is condemned to pass the entire sentence without contact with other prisoners, supposedly to prevent him from passing on "secrets." Shahal reportedly inspected "recent improvements" to Vanunu's hellish solitary confinement cell.² (IFA 11/86, 1/87, 3/87, 4/87, 7/87, 9/87, 1/88, 2/88, 4/88, 5/89, 7/90, 10/90, 1/92, 4/92)

Meanwhile, a US campaign to free Vanunu, (IFA 9/92) is picking up steam. Meir Vanunu, Mordechai's brother, recently spoke in the San Francisco Bay and Chicago, and plans are underway for coordinated actions around the country on September 30th. To get involved (or informed) write national coordinator Sam Day, 2206 Fox Ave., Madison, WI 53711.

1. JP 4/21/93. 2. Ibid.

Tourist pacts

Israel hosted a convention on funding and investment in tourism last month, in the course of which it concluded tourism agreements with Romania, Moldova, Russia, Uruguay, Uzbekistan, and Bulgaria.¹

Moldova plans to establish an embassy in Israel and a consulate in Jerusalem, Prime Minister Andrei Sangheli announced during a May visit.²

1. Ha'aretz 5/20/93**; 2. Israel Radio 4/29/92**.

ADL spy scandal ... (from page 1)

At the time, ADL had not been publicly identified as a target of the San Francisco district attorney's investigation. Attention was focused on Tom Gerard, a former San Francisco police officer who had passed confidential information to Roy Bullock, the ADL's longtime paid "fact finder," or spy.

But Bullock, in exchange for a guarantee that he would not be prosecuted for what he revealed, had already spilled out his guts in interviews with San Francisco authorities. The ADL evidently knew that it would ultimately be held responsible for Bullock's work product: the files on hundreds of law-abiding leftist, Arab-American and anti-Apartheid political organizations and 10,000 individuals that authorities seized during searches in December. That foreboding, and concern that San Francisco authorities were pressing their investigation of ADL espionage around the country, are reflected in the Sinensky-Tourk memo.

...[W]e are aware that the San Francisco Police Department has written to several law enforcement jurisdictions throughout the country advising them that material from their departments has been found in files gathered in connection with the Gerard investigation. This letter has not been shared with us, and so it is unclear whether the letter refers to files found at Gerard's home, ADL files, or other material. We know that the SFPD contacted the Phoenix and Portland police departments, and other unknown jurisdictions.

Being kept in the dark about the investigation was a new experience for the ADL, which, according to court documents released in the case, shared information with dozens of law enforcement officials around the country. (IFA 1/93, 3/93, 4/93) So Sinensky and Tourk enlisted the regional directors in a counterintelligence effort:

You should be aware that your local law enforcement (sic) may have received such a letter; do not make any independent (sic) inquiries regarding this correspondence. If, however, you learn of any contact by the SFPD in your area, please let us know.

ADL confirmed the authenticity of the February 25 memo and another, dealing with outreach to the NAACP (see below). "These are our memos. And, while not confidential, they are internal documents. You shouldn't have them, but you have them," the director of public relations at ADL's New York headquarters,

Mirna Shinbaum said.¹

The ADL's main line of defense has been that it was not responsible for intelligence collected by Roy Bullock. Although it paid Bullock regularly (through a cutout) for 25 years, the ADL insists he was a private contractor whose activities were not under the organization's control. The ADL insists that the intelligence files were Bullock's, not ADL's.

The Sinensky-Tourk memo gives the lie to that claim. It clearly shows that the ADL regards the intelligence files seized by authorities as its own. ADL, they said

has ... taken the position that files and documents we provided to law enforcement officials to assist in their investigation should be kept under court seal. The San Francisco City Attorney has argued that the information should be made public. The SFPD has issued guidelines that would allow private individuals to see police files that contain their names. ADL has asserted that our own privacy and First Amendment rights would be violated by disclosure of ADL files. [emphasis added]

Roy Bullock, whose role in the affair had not yet been exposed in the national media, is not mentioned by name in the February memo. The ADL directors only allude to him in a discussion of police intelligence files "misappropriated" by Tom Gerard., which they said,

allegedly included information on police surveillance of Arab American groups and individuals. As a result, Arab American groups have voiced concern over police conduct and records. They have also asserted that Gerard's alleged investigation of Arab Americans and sharing of information has placed Arab American individuals in danger in this country and abroad. Because there have been news reports that some of this information was found in the possession of an individual who is alleged to have a relationship with the ADL, public statements by Arab American groups have targeted ADL as well as the SFPD with their accusations.

The files referred to in the memo were seized during a December search in which ADL "cooperated." It was only after San Francisco authorities raided the ADL's offices on April 8 and released hundreds of pages of court documents that ADL began mounting a public campaign protesting its innocence of spying. (IFA 3/93, 3/94) But even as the organization amped up its public defense, its boss "fact-finder," New York-based Irwin Suall, retained a San Francisco at-

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KEY TO ABBREVIATIONS AND SYMBOLS

JP= Jerusalem Post; JTA = Jewish Telegraphic Agency; LAT = Los Angeles Times; NCJB = Northern California Jewish Bulletin; NYT = New York Times; QY = Qol Yisrael, (Israeli radio); WP = Washington Post; SFCh = San Francisco Chronicle; SFEx = San Francisco Examiner; * = As reported in FBIS (Federal Broadcast Information Service). ** = Middle East Intelligence Report (from CompuServe); Four digits following a source--e.g, AFP 1850--is the universal coordinated (or Greenwich) time of a story's transmission.

Shady dealings with Serbia

Reports of Israeli arms shipments to Serbia, coming after a Serbian banker gone bust fled to Israel, are buttressing suspicions, first voiced last fall (*IFA* 9/92) that Israel is secretly helping the expansion-minded Serb regime.

A previously unknown Israeli arms dealer, Joshua Waldhorn, has begun sending shiploads of weapons to the Danube ports of Reni, Ukraine and Sulina, Romania, the main staging points for trade with Serbia, *Forbes* magazine reported last month. Waldhorn works in Haifa and travels regularly through the US and Europe on two different Israeli passports, said the magazine in its May 10th edition.

Before he began shipping arms down the Danube, *Forbes* said, Waldhorn sent four shipments of Bulgarian-made weapons to Croatian ports.

In November 1991, Waldhorn bought a ship named *Ofirtal*. In early 1992, he bought a second ship, the *Anne Norco*. He set up dummy companies in Malta and in St. Vincent and the Grenadines as the "owners" of the two ships. Last February Waldhorn bought a third, larger ship, the *Apolonia Fighter* and renamed it the *SM Line*. The *Ofirtal* and the *Anne Norco*, both of which Waldhorn has also renamed, call regularly Israel's ports of Haifa and Ashdod, *Forbes* says.

For the shipments to Croatian ports Waldhorn used fake Bolivian end-user certificates to disguise (albeit thinly) the customer. The seller, Bulgaria's state-owned arms company, Kintex, wasn't fussy about the Bolivian certificates, says *Forbes*.

Kintex sold Kalashnikov rifles, mortars, SAM missiles and artillery shells to two companies working on commission for Waldhorn: Etem and Imex, Inc. Imex is incorporated in Delaware but based in Budapest. US authorities and Interpol are seeking its owner, Josef Lovas, for smuggling arms to ex-Yugoslavia. Etem is a Portuguese company, fronted by Jose Saldanha, according to *Forbes*.

Both the *Anne Norco* and the *Ofirtal* are equipped with cranes, allowing them to unload their cargo at small ports — US Customs and intelligence officials quoted by *Forbes* say the arms were unloaded at one of several ports on Croatia's Adriatic coast — or even at sea.

Waldhorn could not operate ships through Israeli ports without the stringent series of authorizations the Israeli government gives its licensed "private" arms dealers. (*IFA* *passim*.) And *Forbes* found knowledgeable people,

among them longtime arms dealer Sam Cummings, skeptical of the Israeli government's claim that it had "no official knowledge of Mr. Waldhorn." *Forbes* says that none of Waldhorn's business contacts

admits ever being given a phone number, contact address or business card. Kintex obliquely refers to him in faxes to Etem as "Mr. W." J.J. Oliveira, the Portuguese broker who sold Waldhorn the *Ofirtal*, voiced a common belief: "It seemed to me obvious he was working for Israeli intelligence."

Waldhorn dismissed the *Forbes* report as "absolute rubbish" and threatened to sue the magazine. "There is no shortage of people searching for an Israeli scapegoat to ruin his life and career," said Waldhorn, who insists that his global commodities company deals in food, metals and chemicals. "All my records are above-board and legal," he said, adding, "We operate according to international regulations. Recently I gave a thorough report to the Maltese authorities about my ships' movements and contents."¹

In March Jezdimir Vasiljevic suddenly popped up in Israel. From there, he faxed orders for his high-profile Jugoskandic Bank in Belgrade to shut down. Before it collapsed — leaving a reported four million depositors out a total of \$2 billion — the bank had been one of two institutions that sprang up following the breakup of the old Yugoslavia and the imposition of sanctions on the rump regime of Serbian strongman Slobodan Milosevic. The banks drew in funds by offering up to 15% a month interest on hard currency deposits.²

It was widely believed they made the money to pay such rates by arms dealing and smuggling under government auspices.³ Indeed, there were accusations from the start that Jugoskandic and Dafiment, the other bank, were fronts for state sanctions-busting.

Whatever the case, it was a financial equation that was not, ultimately, sustainable. After the wave of outraged depositors had ebbed, Vasiljevic admitted he had used his status as bank-owner to go on arms shopping trips for the Serbian government. "At that time, I was probably the only person who could travel abroad and get everything the army needed, and I was doing that," Vasiljevic told a Belgrade TV program.⁴ (Vasiljevic also had the wherewithal to put up \$5 million prize money for the sanctions-

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Israelis do business in the Philippines

Two Israel-linked concerns have expressed interest in establishing operations at Clark Air Base in the Philippines, even though the former US facility has been damaged by eruptions from Mount Pinatubo and picked bare by looters.

One company, the Jack Nasser Group, which wants to use Clark for a textile manufacturing plant and an aviation complex, is based in New York.¹ But Jack Nasser reportedly helped finance the 1984 lawsuit of former Israeli cabinet minister Ariel Sharon against *Time* magazine.

In 1986, a member of the Israeli parliament, Ran Cohen, accused Nasser of helping to spirit funds controlled by deposed dictator Ferdinand Marcos out of the US, which had slapped a freeze on Marcos's plunder. Ran Cohen said that Nasser used the Marcos money to buy First International Bank in Tel Aviv — and he said that Ariel Sharon, then trade and industry minister, had accepted Nasser's \$21 million bid for the bank, even though it was not the highest, out of gratitude for Nasser's help on his lawsuit.² (*IFA* 10/86)

The Nasser group will be bidding against Israel Aircraft Industries, the largest state-owned arms maker, wants to set up a maintenance shop to service Philippine military aircraft. The Japanese Crown group wants to build an aviation facility and connect Clark by rail to Manila, 50 miles away.³

■ The Israeli company Ormat Industries announced in April that its US subsidiary had won a \$180 million bid to build a power plant in the Upper Mahiao region of the Philippines. Power shortages are a serious impediment to development in the Philippines — but until negotiations are still under way and the deal won't be final until the Philippines arranges financing for the power lines, according to Ormat.⁴

1. UPI 5/20/93. 2. *Israel & Palestine* (Paris) 4/86. 3. UPI 5/20/93. 4. *JP* 4/15/93.

Albania

Israel and Albania signed a trade agreement in June, during the visit to Israel of Albania's trade minister, Artan Ilmi Hoxha. An Israeli business group is expected to visit Albania soon to explore the prospects there.¹

1. *QY* 6/9/93**.

Serbia ... (from page 3)

busting 1992 chess match between Bobby Fischer and Boris Spassky.)

It is not clear whether Israel was on the itinerary of these buying missions. There had been reports that on earlier visits to Israel Vasiljevic had bought weapons and military equipment. Before his general admission of arms buying he had insisted that he bought only fruit and paper for printing in Israel.⁵

In Israel last March, Vasiljevic said he had not fled Belgrade with Jugoskandic's funds. Speaking darkly of corruption and crime in ex-Yugoslavia, Vasiljevic said it was not safe for him to stay in Serbia. He said he would organize a "patriotic" movement.⁶ But he will have a hard time explaining where the money went. In April, when robbers cleaned out the vaults in the main branch of the bank, they took its last \$2 million.⁷

Vasiljevic's link to Israel is particularly significant in the light of well-founded reports last year that in early 1992 Serbia transferred \$1.2 billion of its foreign currency reserves out of European banks — where they were vulnerable to anticipated sanctions — to the Israeli Bank Leumi. Serbia reportedly spent the money on its wars in Croatia and Bosnia, although at least some of the transferred funds had been earmarked for distribution to other republics as part of a Yugoslav "divorce" settlement.⁸ (IFA 9/92)

Dafina Milanovic, owner of Serbia's other high-interest bank, Dafiment, claimed to have "interests" across Europe to Tel Aviv.⁹

Citing a recent book by a general in Serbia's military intelligence, the newsletter *Inside Israel* (4/93) says that Israel made a large arms deal with Serbia in November 1991, just before the \$1.2 billion was shunted into Bank Leumi in Israel.

Both Jugoskandic and Bank Leumi were named in a Slovenian report last winter as having been implicated in a Serbian government-blessed narcotics operation. Jugoskandic was involved in the establishment of the business, ostensibly for producing cosmetics and vitamins. Some of the start-up funds for were paid through Bank Leumi by a Captain Dragan Fund, which, according to the report, "is used to launder suspicious money."

The funds were reportedly used to buy raw materials to make heroin and the drug known as Ecstasy. The operation's production facilities were established in Macedonia and Bosnia to shift potential blame from Serb authorities, according to the report.

The Slovenian report says that some of the chemicals for the drug production were

purchased in Israel, using forged Macedonian documents. The purchase was reportedly facilitated by the acquaintance of Dragan Vasiljkovic (who uses the pseudonym Daniel Sneden) with a Mossad agent whom the report identifies as Gaby Eldado. Packages for the operation, the report says,

...traveled and are still traveling from Israel to Nicosia, where they are picked up by the Olimp-Trade enterprise, registered in the name of a certain Greek citizen who is a good friend of the Greek foreign minister, but actually the real owners are Bogdan Kecman and Bogdan Dasic, from whom the Austrian police issued an international warrant...for smuggling heroin.¹⁰

On the surface, Israel's relations with Croatia and Serbia are inscrutable, and so subject to speculation. The big deals with Serbia may explain Israel's coolness toward Croatia. That chill is customarily ascribed to the Croats' links with the Nazis during World War II and to Croatian President Franjo Tudjman's writings, which many say are anti-Semitic. However, some experts note that Tudjman fought as a partisan against the Nazis in World War II. Besides, they note, Israel has good relations with Poland and Ukraine, which also collaborated with the Nazis during the war.¹¹

Although Israel did not join its US supporters who condemned Tudjman's inclusion in ceremonies inaugurating the Holocaust Museum in Washington last April,¹² it has limited its diplomatic recognition to the Croatian state, (as opposed to the government). Israel does have diplomatic relations with Serbia; however, it has not accepted a Serbian ambassador in deference to UN sanctions.¹³

The August 1991 bombing of the Jewish community center in Zagreb is now being viewed as an attempt by Serbian operatives to alienate Croatian Jews' affection for their new government. The bombing is believed to be part of an operation code named *Opera Orientalis*, planned by three Serbian officers. A report last winter said the three, and two men charged with the bombing, were on trial for conspiring against the new Serbian government.¹⁴ It is not clear whether the trial was intended to distance the government from the operation, which also included the bombing of a US consulate.

Meanwhile, Israel's dealings with Bosnia, which it has taken care to publicize, may be intended to blunt accusations that it is collaborating with Serbian ethnic cleansers. The government's

own television reported that Israeli arms dealers are selling ammunition and small arms to Bosnian Muslim forces. The television said that over three metric tons of ammunition were "at stake" in the deals. It emphasized that they involved private arms dealers, not the government.¹⁵ But Israel tightly controls the activities of its private dealers (*IFA passim*) — and it rigorously censors the news media.

A PLO official in Tunis suggested that "Israeli quarters" were promoting a report — carried by a Saudi-owned London paper — that PLO officials helped secure a loan from Arab sources to finance an Iranian deal to supply crude oil to Belgrade. The PLO denied the report, calling it an effort to besmirch its reputation. Iran, which has been vocal in its support of the Bosnian Muslims, also denied supplying Serbia with oil.¹⁶ It is worth noting that the PLO has harshly criticized Iran for its support of the religiously oriented Palestinian group Hamas.

The widely televised Israeli welcome of 84 Bosnian Muslim refugees last February did not begin as a publicity ploy. The move was initiated by Palestinian-Israelis months before. They dropped their plans to host the Bosnians, however, after Israel deported 400 Palestinians to Lebanon.

An Israeli editorial noted that Israel could not even offer the justification of saving lives, as the refugees came from Zagreb — not Bosnia. So Israel had merely eased things for the Croatian government, said the editorial. "This is not a humanitarian gesture, but rather a bluff."¹⁷

■ Slovenia is reportedly negotiating the purchase of 12 to 14 Kfir fighter aircraft with Israel Aircraft Industries and has concluded deals with Israeli companies for Python-3 air-to-air missiles, mobile warning radar, anti-aircraft guns and ammunition. Although representatives of the Israeli military industries were in the former Yugoslavian republic in early May to nail down the deals, delivery cannot go forward until the UN lifts the arms embargo that now covers all of ex-Yugoslavia. The Israeli-Slovenian deal is also reported to include a secret clause establishing "security" cooperation.¹⁸

1. JPS NCJB 4/30/93. 2. AP 3/12/93. 3. AP 04/5/93. 4. Studio B television (Belgrade) quoted by AP 4/16/93. 5. NYT 3/14/93. 6. Ibid. 7. AP 4/16/93. 8. Ha'aretz 10/2/92. 9. Independent, 3/11/93. 10. Delo (Ljubljana) 12/9/92. 11. Inside Israel (Beit Shemesh) 4/93. 12. AP 4/20/93. 13. JP 2/3/93. 14. Ibid. The officers are identified as Gen. Aleksandar Vasiljevic, former head of Yugoslav army intelligence, Gen. Zvonko Jurjevic, former air force commander, and Col. Slobodan Rakocic, former head of air force intelligence. 15. Israel television 4/20/93. 16. Al-Sharq Al-Awsat, 5/16/93. Sunday Times (London) not cited by IRNA (Tehran) 1515 5/30/93. 17. Ma'ariv 2/17/93 IGPO. 18. Intelligence Newsletter (Paris) 6/3/93, citing diplomatic sources.

ADL spy scandal... (from page 2)

torney. (Charles Breyer, Suall's attorney, was a Watergate prosecutor and represented Elvis Presley's estate.)²

Publicly the ADL has repeatedly claimed that its work against "hate groups" protects the rights of Arab-Americans. Ludicrous as the claim is on its face, some might be inclined to credit the ADL with believing in its nice-sounding argument. However, five pages of "Talking Points" accompanying the February 25 memo, reveals the ADL's real attitude toward Arabs.

The "talking points" were to be closely held, Sinensky and Tourk cautioned recipients of their memo. They "may be used as background to help you in responding to questions from your board or committee members, but should not be distributed in any way." In a discussion of Tom Gerard's participation in an ADL "mission" to Israel in May 1991, the "talking points" say:

This mission, which occurred at the height of the war in the Persian Gulf was designed to increase awareness by law enforcement officials about the threat within the United States posed by various extremist or terrorist organizations, and the manner in which their Israeli counterparts deal with such threats abroad.

Was the ADL encouraging Gerard and the other officers on the junket it took to Israel to adopt a hostile attitude toward Arabs, and, perhaps, to emulate Israel's pre-emptive ways of dealing with the Palestinians? "You can read anything you want to read the way you want to read it. I don't think it reads that way, but that's an internal document and I'm just not going to comment," said ADL Public Relations Director Mirna Shinbaum.³

After a roving band of East Coast ADL officials garnered sympathetic coverage in the California media, (IFA 4/93) the ADL turned its attention to rallying Jewish communal support. Astonishingly, even liberal Jewish organizations proved willing to sully themselves by giving the ADL what amounts to an *a priori* vindication.

Representatives of around 20 Jewish groups gathered in New York in late April to draft a statement supporting the ADL. The groups included Conference of Presidents of Major Jewish organizations and the World Jewish Congress, which issued a statement "express[ing] its full confidence in the integrity of the operations of the ADL."⁴

The National Jewish Community Relations Advisory Council declared that ADL's fact-finding activities have been significant in countering extremism and protecting the rights of all Americans.... For this work, the organized American

Jewish community, and indeed all who support civil rights for all Americans, are in the debt of the ADL.⁵

One of those who attended the rally said:

The whole community got a late start on the subject because of the ADL's reticence to go forward. It would have been chutzpadik for any of the organizations to jump in ahead of them.⁶

The ADL featured these endorsements — in a huge advertising spread in Jewish newspapers. Along with quotes from the organizations, ADL quoted statements of support from AIPAC, Israel's congressional lobby, which was exposed for spying on its political "enemies" last year, (IFA 7/92) from former Defense Secretary Dick Cheney, from Sen. Alfonse D'Amato (R-NY) and, incongruously, from Morris Dees of the Southern Poverty Law Center (who did not address the issue of ADL spying). ADL wrote:

It is important that all of these individuals and organizations have stood up. It is also important to publicize the fact of these statements of support in order to give courage to others to do likewise, others who may be hesitant to do so because of the media bombardment. If more and more Americans familiar with ADL will speak out, then those interested in defaming us will begin to retreat...⁷

It is difficult to see how these Jewish organizations, which babble endlessly about a mythical Black-Jewish coalition, can now avoid getting drawn into ADL's increasingly adversarial relations with African American organizations. Early this month, Rep. Kweisi Mfume, the chair of the Congressional Black Caucus called publicly on the ADL (and the American Jewish Congress) to "rethink" their opposition to the nomination of Prof. Lani Guinier to head the Justice Department's civil rights division.⁸

Currently the ADL's national director, Abraham Foxman, is tangling with Wilbert Tatum, the editor of the New York-based *Amsterdam News*. Tatum has asked the FBI to investigate charges that ADL informers illegally collected information on black organizations. He says such infiltration gave the ADL the opportunity "to take over the organization's negotiations or destroy them if they did not agree."⁹ Foxman said Tatum's statements "reek" of classical anti-Semitism.¹⁰

Tatum was quoted by the Jewish weekly *Forward* (5/7/93) saying the ADL had charged him with anti-Semitism because he published such authors as progressive attorney William Kunstler.

"The charge that I'm an anti-Semite was put forward by the ADL in order to control me," Tatum said.

The ADL's interest in maintaining good relations with the NAACP is evident in a May 5 memo from Ann Tourk and Charney V. Bromberg, ADL's intergroup relations director. Titled "Outreach to the NAACP," the memo notes that "Abe Foxman wrote newly installed NAACP Director, Reverend Benjamin Chavis, assuring him that the ADL had never targeted the NAACP for investigation." Tourk and Bromberg continue:

Many of you have already reached out to local branches of the NAACP; those of you who have not done so, particularly where you have a personal relationship with the local director, should do so now."

The contact should be for the purpose of "touching base," but clearly, if the topic of San Francisco arises, your response should be quite direct — "you know, we're in the business of monitoring extremists, not our friends in the civil rights movement"...

We're most interested in getting a picture of how this issue is playing among your intergroup contacts and coalition partners. Please call to give us your assessment — good, bad or indifferent.

Incredibly, it appears that the ADL has continued to spy on its victims. The American Friends Service Committee office in Southern California said this week that two men in a van surveilled a press conference in Denver — one of a number of demonstrations staged at ADL offices around the country on June 22 — and then drove their van into the ADL parking lot.

■ Four Arab American organizations have filed claims against San Francisco, Los Angeles and San Diego. The organizations — the American-Arab Anti-Discrimination Committee, the National Association of Arab Americans, the Association of Arab-American University Graduates, Inc., and the American Federation of Ramallah, Palestine — are each seeking \$100,000 against each of the governments for allowing their law enforcement agencies to illegally share confidential information with the ADL.

The amount is just an initial assessment of damages, says Peter Schey, the director of Center for Human Rights and Constitutional Law in Los Angeles and one of the attorneys representing the four organizations. Claims are certain to escalate after the organizations and their members have a chance to inspect the files that ADL kept on them. Those files — all the ADL's files — are still under court seal.

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Payback for Kyrgyzstan

Soon after its prime minister recklessly promised to establish an embassy in Jerusalem, (IFA 2/93) Kyrgyzstan changed its mind. Now it says, it will not open an embassy in Israel at all.

Israeli foreign ministry sources let it be known that they are blaming the fiasco on Benz Karmel, the ambassador to Kazakhstan. The sources said that when Karmel — a political appointee, not a professional diplomat — sold Kyrgyzstan on Jerusalem, the ministry warned the former Soviet republic would probably not be able to pull it off.¹

Only El Salvador and Costa Rica maintain embassies in Jerusalem. All others shun it because of Israel's illegal annexation in 1980 of East Jerusalem, which it captured in the 1967 war.

Israel made the decision known only days after the 47-member Asian Group at the UN "shelved" Kyrgyzstan's application for membership because of its plans to set up shop in Jerusalem.

In February President Askar Akayev sent U.N. Secretary-General Boutros Boutros-Ghali a letter clarifying what he termed "the distorted reaction to the recent Kyrgyz-Israeli diplomatic negotiations." Jerusalem's status must be settled in negotiations, Akayev wrote, and

Kyrgyzstan's decision to establish a diplomatic presence in Israel will depend on the results of the peace talks between Israel and the Arab countries. In this regard, we will of course take into consideration the opinion of the United Nations.²

Akayev also declared support for the Palestinians' "unconditional right to self-determination and state sovereignty." But the letter, circulated as an official UN document, did not cut any ice. Said a member of the UN Asian group: "we still do not have any firm assurance that an embassy is not going to be established in Jerusalem."³

Now they do.

1. QY 0500 3/11/93*. 2. IPS 3/11/93. 3. Ibid.

Estonia arms deal

Estonian officials are hailing as a "decisive breakthrough" their purchase of a grab bag of Israeli weapons, made possible by a \$50 million loan from Israel.

Estonia had been wanting to replace its Soviet-made weapons with arms that conform to NATO standards, but none of the Western powers was willing to sell it weapons. Now Estonia is awaiting delivery of Israeli missile and artillery systems, bazookas, light and heavy machine guns, assault rifles, pistols and fire-fighting equipment.¹ The sale follows a visit by Israeli arms industry representatives to Estonia in March.²

An earlier report said Israel is also selling Estonia Stinger missiles.³ The State Dept. desk dealing with Estonia did not respond to a phone message asking for comment on this report.

1. *Megapolis-Express* No. 21 6/2/93; *Krasnaya Zvezda* (Russia -nd, "earlier this year") cited by Reuters 5/24/93. 2. Radio Tallin 3/23/93, cited by *Arms Transfers News* (London) 4/16/93. 3. *Krasnaya Zvezda* op. cit.

ADL spies ... (from page 5)

■ Inventories filed with the court by the district attorney show that officials seized ten boxes of files during their April 8 searches of ADL's offices. Files on the Palestine Solidarity Committee and the Network of Solidarity with Chile were reportedly among those found.¹¹

■ An attorney for Roy Bullock, the ADL's ace snoop, refused to say whether the ADL is paying for Bullock's legal defense, as has been reported.¹² And Bullock denied

the rumor ... that I will be offered immunity if I testify against the League. They can take that offer and shove it. All the information I gathered for the ADL was collected under constitutional protection and, besides, was done to protect the victims of hatred.¹³

■ An investigation in Portland revealed that between 1990 and 1992 ADL's Seattle office had sent Portland police intelligence to ADL's New York headquarters at least 16 times. Two accompanying ADL memos referred to the intelligence as "confidential."

Portland authorities deny wrongdoing. But San Francisco officials voiced suspicions about the propriety of Portland police dealings with the ADL.¹⁴

■ During the 1980s the San Francisco Bay area was only one of many cities where the offices of organizations opposing Reagan/Bush Central America policies experienced a rash of break-ins. Typically, in these break-ins, only files and computer records were taken. In San Francisco, police officer Tom Gerard — recently returned from a CIA stint in support of the death squad governments of Central America — presided over the stolen files, according to a report that it appeared in a local weekly, the *Bay Guardian*, on May 19, two weeks after San Francisco police arrested Gerard, as he returned from the Philippines, where he had fled when the FBI questioned him about the work he and Roy Bullock did for South Africa. (IFA 4/93) Although it is second-hand, the *Bay Guardian* report is compelling:

During that summer [of 1987], a sympathetic employee of a warehouse in the Bayview District had passed along to a Central American solidarity activist, who asked not to be named, the information that the

San Francisco Police Department was using an office in the warehouse where he worked. The warehouse worker said the office was "full of files" relating to solidarity and refugee groups. It was tended by a police officer ... [who] readily identified himself as Tom Gerard, the activist told the *Bay Guardian*.

The warehouse worker reported that Gerard had boasted that he had the [recently stolen] Casa El Salvador mailing list, and even gave the warehouse worker a copy of a surveillance report on a July 19 Nicaragua solidarity function, along with his SFPD business card. The activist told the *Bay Guardian* that this report, which the warehouse worker passed along, even included descriptions of the "tacky chic" clothing worn by participants in the event.

Local activists suspected Tom Gerard was involved in the break-ins as early as 1987, according to minutes of a December 18 meeting. Now people are wondering if he fingered exiles and expatriates for the Central American torturers with whom he had worked.¹⁵ (IFA 4/93)

It would not be logical to conclude that San Francisco was the only city where this gross intrusion occurred.

■ When he fled to the Philippines last fall, Tom Gerard left behind a briefcase stuffed with interrogation manuals and what were apparently false identification papers. Now, it seems, one set of id's was real — it just wasn't Gerard's, although he'd affixed his photo to some of the documents. Charles H. Carter III, the real owner of the id's, said he had learned in March that Gerard had gotten hold of his papers, including birth and marriage certificates, although how, he didn't know. "I'd hope this policeman didn't do anything to anybody. But if that's naive, I wish he'd done it in somebody else's name," said Carter, a financial consultant in Portland, Oregon.¹⁶

1. Copies of the memos were faxed to Shinbaum in connection with an article by Jane Hunter that appeared in the *Bay Guardian* 6/2/93. 2. *San Francisco Examiner* 5/12/93. 3. See note 1. 4. JTA NCJB 4/30/93 (and big brother, too). 5. Ibid. 6. Ibid. 7. NCJB 5/21/93. 8. NYT 6/4/93. 9. *Amsterdam News* 4/17/93 quoted by *Forward* 5/7/93. 10. Ibid. 11. *San Francisco Chronicle* 4/23/93. 12. *San Francisco Examiner* 5/12/93. 13. *Forward* 5/21/93. 14. *San Francisco Examiner* 6/2/93 (nat'l ed.). 15. *Bay Guardian*. 5/19/93. 16. *San Francisco Examiner* 6/2/93 (nat'l ed.).

Money laundering ...(from p. 1)

case. Rishty transferred \$170,000 for Adjmi, \$100,000 of it to a Florida bank designated by Abenheim. It is possible that this is the laundering that Levi is alleged to have initiated. In July 1991, the indictment says, Dayon gave Prism a \$170,000 check drawn on Rishty's commercial account; it bounced. This amount, which apparently was replaced by \$170,000 from Adjmi's commercial account, was transferred to Panama, in accord with instructions from Abenheim:

Cali, Junio 25 de 1991
TO: ARIK:
\$170,000
Banque Nationale de Paris
(Panama)
Main Office 200 via Espana-
panama
Acc. Name. Wilmington Group, Inc.
Acc. No: 0103363700132

Adjmi recruited two helpers to pick up and deliver cash: David Maleh, who has since died; and Jack Zebede, a 38-year-old US citizen. Events took a strange turn, then.

A \$10-an-hour Hebrew translator, who was interpreting wiretaps on the ring for the FBI, had pangs of conscience about Zebede, an apparent neophyte, getting mixed up with the laundering. Neal Elefant, the translator, was an observant Jew. He asked his rabbi if he should warn Zebede, and the rabbi said yes. That was in May 1992.

Elefant was arrested soon after. His arrest alerted Israeli reporters to the investigation. At the time, prosecutors would not tell IFA where Elefant was indicted, apparently to protect whatever secrecy still surrounded the sting. (IFA 9/92) The investigation continued for some weeks after Elefant's arrest. And now, with Elefant's appeal for a reduction of his 18-month sentence about to be heard in the US District Court in New York City, it is clear why:

Elefant had the misfortune to get kicked in the teeth for his act of conscience. Zebede brought Alex Adjmi to the clandestine meeting Elefant had arranged. Then Adjmi and Zebede went and cut a separate deal with the FBI, ratting on Elefant in the process.³

Elefant has pleaded guilty to one count of theft of government property. The property was an FBI document he took to show Zebede in his attempt to warn him not to start working for ring.⁴

It is not clear what Adjmi may have achieved by going to the FBI. He — and the others — face an incredible array of charges, adding up to decades in jail and forfeiture of virtually every bit of property that the feds can get their hands on. Adjmi was, however, allowed to post a relatively modest bond, \$300,000.

Asked if Adjmi was out on bail because he was cooperating with authorities, Assistant US Attorney Martini answered: "No. He was not someone whom the government asked to detain. He posted the bond that the judge ordered him to post and he's out." All but one of the accused who were taken into custody in the US are out on bond, Martini said. Meir Ohaion remains in custody in Connecticut. Zebede's bond was set at \$125,000.

Martini also said that none of the defendants had yet tried to plea bargain: "It's too early to tell if someone's going to plead guilty. Nobody has pled yet."

Is this a simple criminal case, or, is it yet another in a string of cases where Israelis enjoy apparent protection from their government when they act in consort with Colombian drug traffickers, as the Israeli report last year suggested?

Last year, when it reported on the hapless Neal Elefant's arrest, the Israeli paper *Yediot Aharonot* said The FBI had identified the Syrian-Jewish realtor (now known to be Adjmi), a former Mossad officer, the officer's son and an Israeli messenger as

part of a much larger organization with its headquarters in Tel Aviv...which is operating according to the rules of an intelligence [organization], including the use of "safe houses," intelligence gathering and surveillance.

Yediot Aharonot cited an FBI document (perhaps the document Elefant showed to Zebede and Adjmi?) which expressed the bureau's suspicion that the launderers were "operating under the auspices of official Israeli sources, perhaps the Mossad, and using the profits to finance some kind of covert operations." Elefant, the paper said, heard one of the FBI investigators say: "The Mossad uses the drug laundering money to finance its activities all over the world."⁵

If US authorities know about a link to Israeli intelligence, they're not telling. In June I had this exchange with Assistant US Attorney Joseph Martini.

IFA: In the Israeli press a year ago, when they picked up on Mr. Elefant's arrest, they were talking about a network that had links to Israeli intelligence. Is that something that you have developed in the course of this

(continued on page 8)

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Money laundering ...(from p. 7)

investigation?

Martini: I'm not going to comment on that.

IFA: Is that different than a denial?

Martini: I have no idea. I have nothing to answer that question with. I just don't know what you're talking about.

IFA: They said there were people linked to the intelligence agencies who were involved in directing this network.

Martini: It's not a denial. We're not going to comment on stuff like that. At least not publicly.

The Israelis can't be extradited because the US treaty with Israel doesn't cover extradition on such charges for Israeli citizens. So Adi Tal, who laundered money while on probation, is beyond the reach of US law.

Tal's involvement with the Prism operation began in January 1992, when, the indictment says, he left the US for Israel. He could not have been out of jail for more than a few months at that time. IFA has not been able to find out the exact date of Tal's release. But the clerk of the US District Court in Newark, where Tal pleaded guilty in 1988 to three counts of money laundering, told IFA that the Israeli was sentenced on March 23, 1989 to 52 months in prison to be followed by three years of probation. Counting the time from March 1988, when Tal was arrested, his prison term was scheduled to run through July of 1992. Evidently Tal received some time off his sentence for good behavior. His probation has another two years to run.

David Vanounou had departed for Israel the month before Tal headed home. Before he left, Vanounou allegedly set up communications for Yehudah Madar to get instructions directly from Abenham in Colombia.

After Madar's arrest, in March 1992, Tal and Vanounou "initiated direct contact" with Adjmi. Tal met with Adjmi in Canada to talk about reorganizing the operation. After that meeting Adjmi recruited Zebede and, in May 1992, replaced Madar with Benjamin Hesson, an Israeli. Hesson, according to the indictment, "reported directly to defendants David Vanounou and Adi Tal in Israel."

Then Tal and Vanounou dispatched Isshai David Vanounou from Israel "to learn the money laundering business from defendants Benjamin Hesson and Alex Adjmi and to begin operations in Los Angeles," the indictment says. Isshai, 22, is

a nephew of David Vanounou, according to Assistant US Attorney Martini.

In September Tal and David Vanounou also sent Jacob Cohen, 41, from Israel "to encourage co-conspirator Madar to flee the US and to discuss a resumption of cash deliveries in the US," the indictment says. It adds that last February they again encouraged Madar to flee to Israel.

A money laundering case that will be tried next month in Los Angeles looks a lot like the operation Adi Tal ran in the 1980s with ultra-Orthodox rabbis. One of three people arrested last January, Rabbi Abraham Low, a member of the ultra-Orthodox Satmar Hasidic sect, told an undercover officer that he could launder funds through a "holy network" of religious institutions. But there is no link between the case involving Low and the one in Connecticut, according to Martini.

In the Los Angeles case the FBI was put onto the trail of Rabbi Low by a prisoner, Christopher Golasz, who claimed the rabbi bought a stolen check from him.⁶ The FBI set up a sting and taped Low telling "Ronny" an FBI agent posing as a loan shark and drug dealer, that he, Low, could launder millions of dollars through religious charities with which he was connected and through diamond dealers he knew.

Dr. Alan Weston, an associate of Low's, told "Ronny" that

...[H]e and Rabbi Low had the capability of laundering substantial amounts of illegally obtained, or "dirty" money on a weekly basis. Weston described what he called the "holy network" of bank accounts held by charitable organizations through which the money would be channeled.

Weston stated that the cash which [Ronny] wanted laundered would be delivered to Hasidic diamond dealers known to the rabbi.

The cash would then be moved overseas by wire transfers, Weston told Ronny. Rabbi Low told him that the cleaned cash would return to a local account "set up by Rabbi Low for Ronny in the name of a synagogue

related to charity."

Ronny told both Weston and Rabbi Low that the money involved would be narcotics profits, court documents said. And both men said they understood that.⁷ The third person arrested, a woman identified in news reports as "Charlie," allegedly offered to supply an undercover agent with weapons, including assault rifles.⁸

Weston pleaded guilty in March to five counts of money laundering and is to be sentenced in September, a court official in Los Angeles told IFA. Low's trial was set for June 8, but was continued until July 28.

There were reports last winter that others in the "holy network" might be charged.⁹ But that has not happened.

Some 40 rabbis responded to Low's arrest with a special day of fasting.¹⁰ Worshippers at Low's Mogen Abraham synagogue and acquaintances of the rabbi said he was deeply in debt because he had invested congregation members' funds in real estate just before the crash in property values.¹¹

There was, reportedly, concern in the Los Angeles Orthodox community "that this and other recent misfortunes may spell divine retribution for a sinful community." Flyers discouraging "gossip" about the case were distributed to community members.¹²

by Jane Hunter

1. *Yediot Aharonot* 9/17/93 (transl. by I. Shahak). 2. *NYT* 5/26/93. 3. *National Law Journal* 6/7/93. 4. *Ibid.* Elephant's attorney is Nathan Lewin of Washington DC, who represented Edwin Meese, Reagan's attorney general, in an Israel-related bribery case, as well as Shabtai Kalmanowitch, an Israeli intelligence operative accused of forgery, Col. Aviem Sella, a handler of spy Jonathan Jay Pollard, and Michael Golan, a pro-Israel activist convicted of making fraudulent contributions to a political campaign. [IFA *passim*]. 5. *Yediot Aharonot* op. cit. 6. *LAT* 1/12/93. 7. Court documents quoted in *LAT* 1/12/93. 8. *LAT* 1/12/93. 9. *Forward* 1/29/93. 10. *Ibid.* 11. *LAT* 1/14/93. 12. *Forward* 1/29/93.

The next issue of IFA will catch up on stories that have been bumped in the last three issues: Shabtai Kalmanowitch; India; China; Israeli nuclear weapons; Israeli and South African nuclear weapons, and more — unless, as there are breaking news stories, as there have been for the last three issues.

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